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CENTRAL INTELLIGENCE AGENCY REPORT
INFORMATION REPORTCD NO.

COUNTRY **East Germany** DATE DISTR. **8 March 1954**
 SUBJECT **Recent Events Bearing upon SED Policy** NO. OF PAGES **3**
 PLACE ACQUIRED NO. OF ENCLS. **115401**
 (LISTED BELOW)
 DATE OF INFO. SUPPLEMENT TO **25X1**
 REPORT NO.

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1. It is alleged that Peter Florin, the leading foreign-policy expert of the SED Central Committee, made the following statements at a meeting of leading East German functionaries?

It is to be expected that, in free elections in which political parties and mass organizations participate, the bourgeois-democratic forces may win. However, guarantees must be given before such elections take place that the provisions of the Potsdam Agreement calling for demilitarization be retained, that public ownership of heavy, basic and chemical industries continue, and that confiscated holdings of large land-owners be retained by the small farmers to whom they were distributed.¹

2. Hermann Matern's speech and an SED Central Committee resolution on the occasion of the 35th anniversary of the founding of the KPD emphasized that now is the time for a real battle to democratize West Germany. The Central Committee resolution holds up East Germany as an example for all of Germany and emphasizes that no advances made by East Germany will be surrendered.² The 1953 West German elections are characterized as an erroneous decision; the SED leadership is again castigated.³

3. The East German press also emphasized the East-West German common-action aim in stressing the request of the East Berlin Magistrat to the West Berlin House of Representatives for a combined effort to achieve joint German representation at the Berlin Four-Power conference. Similar efforts are evidenced by a large-scale letter-writing campaign on the part of prominent East Berlin intellectuals writing to West Berlin citizens urging common action to achieve joint East-West German representation at the Berlin conference.

4. It is alleged that the SED leadership sees as a definite result of the Berlin conference either unification of East and West Germany or irrevocable attachment of East Germany to the Eastern Bloc.⁴

5. It was generally expected that food prices in the East German HO stores would be reduced again prior to the Berlin conference. During the holiday season the HO stores in large cities and industrial centers were well stocked with

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Food and, in some areas, with textiles. Mild weather has allowed considerable alleviation of the potato "calamity" in Saxony and has allowed the successful completion of planting. No information is available as to whether land deserted by farmers who fled East Germany is again under cultivation or not.

6. A high degree of unrest and dissatisfaction in the populations of Zeitz and other middle German cities and towns was caused by the requisitioning of countless homes on the part of Russian authorities.

7. During the last four months the LDP ~~Bezirk~~ secretaries in Gera, Halle, Leipzig, and Magdeburg were arrested. They have not as yet been tried.

8. It is reported that leading SED functionaries expect that a Minister of Education and Culture will be appointed in January and that Helmut Maltshauer, present head of the East German Art Commission, will be retired from the political scene.

9. Peter Pries has been confirmed as head of the Agitation Department of the SED Central Committee. He is about 25 years of age, comes from the ranks of the FDJ, was a student for two years at the Karl Marx Academy, then second secretary at the SED ~~Bezirk~~ directorate Rostock. The fate of his predecessor, Robert Korb, is not known.

10. Paul Verner, not mentioned in the 15th and 16th Central Committee plenum meetings, is again listed as Secretary of the Central Committee. He is regarded as an Ulbricht man.

11. Otto Scheen, also not mentioned in recent months, possibly ill, again appears in several reports as being in the SED Central Committee. He is regarded as an Ulbricht man.

12. Ernest Lohagen allegedly is on the way back into the good graces of the party. He is said to work in Potsdam in a "revision" capacity.⁶ He is not yet back in the SED Central Committee.⁷

3. Comment: It is not clear if this is the view of the SED or of the Russian Foreign Ministry. The views of the SED and Moscow are not necessarily identical. Possibly in an effort to prevent its own elimination, the SED leadership is attempting to push Moscow into an adamant stand on the Potsdam Agreement. It is interesting to note in this connection that Ulbricht is not listed among the participants celebrating the 35th anniversary of the KPD. It is possible that Ulbricht is in Russia to present the view of the SED Politburo on the Berlin conference.

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3. Comment: In attempting to determine how the SED view coincides or conflicts with that of the Russians, it is interesting to note that the official Russian newspaper, *Pravda*, in a post-holiday article calls 1954 the year of opportunity for the German people. The article goes on to state that the New Course in the Russian-occupied part of Germany is not to be considered an isolated phenomenon. The New Course is not, the article states, only for the people of East Germany, but has in it further great goals. The article goes on to state that in contrast to the Adenauer régime the people and government of East Germany have, from the beginning, considered their state as a provisional state (Provisorium), a first step in the establishment of a peaceful, democratic, and unified Germany.

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3. Comment: Appeals to West German workers and farmers indicate that primary emphasis is no longer on a National Front, but on some type of "united action" (that is, workers' and peasants' state). The Kauten speech shows confusion; on one hand the speech seems to be partially in preparation of the forthcoming SED

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party conference, with the aim of strengthening the position of the SED in East Germany; on the other hand, it seeks united action with West Germany in the fight for joint East-West German participation at the Four-Power conference.

4. [redacted] **Comment:** The timing of Eastern Bloc party conferences (in Poland as early as February) indicates that the German problem is possibly on the agenda of these conferences. The SED leadership appears primarily interested in participation of the East German government in the Berlin conference and strengthening the opposition to Chancellor Adenauer in West Germany. 25X1

5. [redacted] **Comment:** Reports received, principally through the Western Press, have indicated that the Russian requisitioning is for the purpose of supplying housing for the dependents of GDR officers of all ranks. Formerly only general officers had this privilege. 25X1

6. [redacted] **Comment:** Possibly SED Razzia Revision Commission. 25X1

7. [redacted] **Comment:** It is noteworthy that the Berlin trial produced no requests for trial of Herrnstadt and Zaisser, who in the SED Central Committee resolution on the occasion of the 35th anniversary of the KPD appear as the "Social Democratic fraction." There are no indications that Herrnstadt and Zaisser are under arrest. Also notable in propaganda heralding the SED party conference is the moderate tone used in treating of party functionaries who have deviated from the party line. This temperate handling of deviationists leads to the possible assumption that no great purge is in the offing and that the SED is not to become an elite cadre-type party.

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